

**CURTIS, MALLET-PREVOST,  
COLT & MOSLE LLP**

101 Park Avenue  
New York, New York 10178-0061  
Telephone: (212) 696-6000  
Facsimile: (212) 697-1559  
L. P. Harrison 3rd  
Cindi M. Giglio

*Conflicts Counsel for the Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	:	<b>Case No. 08-13555 (JMP)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**STIPULATION AND AGREEMENT FOR WITHDRAWAL OF  
A PORTION OF PROOF OF CLAIM NO. 29883 OF CITIBANK, N.A.**

Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors in possession (together, the "Debtors") and Citibank, N.A. ("Citibank" and together with LBHI, the "Parties"), hereby stipulate and agree as follows:

**RECITALS**

A. On September 15, 2008 and periodically thereafter, each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which cases are being jointly administered under Case No. 08-13555. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

B. On July 2, 2009, this Court entered an order setting forth the procedures and deadlines for filing proofs of claim in these chapter 11 cases (the “Bar Date Order”) [Docket No. 4271]. Pursuant to the Bar Date Order, the Bankruptcy Court established September 22, 2009 at 5:00 p.m. (Prevailing Eastern Time) as the last date and time for the filing of proofs of claim against any of the Debtors.

C. Citibank and Lehman Brothers International (Europe) (“LBIE”) entered into an ISDA Master Agreement, dated as of October 30, 1997, along with a Schedule to the Master Agreement and a Credit Support Annex to that Schedule (together, the “LBIE ISDA Master Agreement”).

D. Citibank alleges that LBHI was specified as a Credit Support Provider under the LBIE ISDA Master Agreement and that on October 30, 1997 LBHI issued and executed a guarantee (the “LBIE ISDA Guarantee”) in favor of LBIE for the benefit of Citibank in connection with the LBIE ISDA Master Agreement.

E. On September 15, 2008, Citibank delivered a Notice of Event of Default and Designation of Early Termination Date to LBIE exercising its contractual right to terminate all outstanding transactions under the LBIE ISDA Master Agreement and designated September 15, 2008 as the Early Termination Date.

F. Citibank filed Proof of Claim No. 29883 on September 22, 2009 against the Debtors which asserts, among other claims, a claim against LBHI based on the LBIE ISDA Guarantee<sup>1</sup> in the amount of \$128,195,144 (the “LBIE ISDA Claim”).

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<sup>1</sup> Citibank also asserts in its Proof of Claim that LBHI guaranteed the obligations of LBIE under an LBHI Board Guarantee dated June 9, 2005, a January 2004 Guarantee (as amended on September 9, 2008), and that certain Guarantee of Lehman Brothers Holdings Inc. as addressed to Standard & Poor’s Rating Services, dated January 4, 2008. The Parties expressly reserve all of their rights, defenses or claims in connection with the validity and enforceability of such guarantees.

G. On September 1, 2011, the Debtors filed the Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (as may be further modified from time to time, the “Third Amended Plan”) and a related disclosure statement (as may be further modified from time to time, the “Disclosure Statement”), and the Bankruptcy Court entered an order approving the Disclosure Statement and governing solicitation and voting on the Third Amended Plan, Docket No. 19631 (the “Voting Procedures Order”).

H. The Parties enter into this Stipulation for the purposes of withdrawing the LBIE ISDA Claim contained within Proof of Claim No. 29883. Citibank also agrees that it will not vote on the Third Amended Plan with respect to the LBIE ISDA Claim.

IT IS HEREBY STIPULATED AND AGREED by and between the Parties, through their undersigned attorneys, that:

1. This Stipulation shall become effective upon the execution by each of the Parties (the “Effective Date”).
2. The LBIE ISDA Claim contained within Proof of Claim No. 29883 shall be deemed withdrawn.
3. Citibank shall not vote on the Third Amended Plan with respect to the LBIE ISDA Claim.
4. This Stipulation may only be amended or otherwise modified by a signed writing executed by the Parties.
5. Each person who executes this Stipulation by or on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

6. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, electronic copies, or facsimiles signed by the Parties.

7. Nothing in this Stipulation shall affect the Debtors' right to object to and/or defend on any basis the remainder of Proof of Claim No. 29883.

8. Nothing in this Stipulation shall affect Citibank's rights and defenses with respect to the remainder of Proof of Claim No. 29883 nor its voting rights other than with respect to the LBIE ISDA Claim.

9. In the event that Citibank determines that its ability to satisfy the LBIE ISDA Claim from LBIE has been reversed, challenged, or otherwise made ineffective, Citibank shall have the right to reassert the LBIE ISDA Claim against LBHI, and provided that it is filed on or before the date that is 2 years after the effective date of LBHI's plan of reorganization, such reasserted claim shall be deemed to relate back to Proof of Claim No. 29883 (but subject to the right of LBHI to then assert any applicable defenses to such claim).

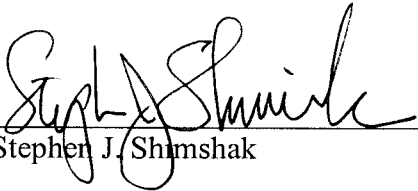
10. This Stipulation shall inure to the benefit of, and shall be binding upon, the Parties and their respective successors, assignees, heirs, executors, administrators and liquidators.

11. This Stipulation shall be exclusively governed by and construed and enforced in accordance with the laws of the State of New York, without regard to its conflicts of law principles.

*[Remainder of page intentionally left blank.]*

12. The Bankruptcy Court shall have exclusive jurisdiction over any and all disputes arising out or otherwise relating to this Stipulation.

Dated: September 16, 2011  
New York, New York

  
Stephen J. Shimshek

**PAUL, WEISS, RIFKIND,  
WHARTON & GARRISON LLP**  
1285 Avenue of the Americas  
New York, New York 10019-6064  
Telephone: (212) 373-3000  
Facsimile: (212) 757-3990

*Attorneys for Citibank, N.A.*

Dated: September \_\_, 2011  
New York, New York

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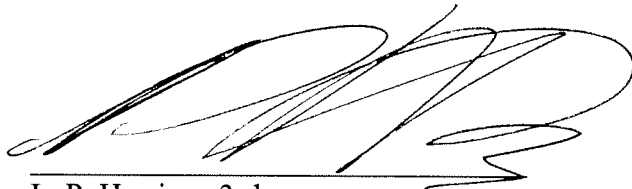
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New York, New York 10019-6064  
Telephone: (212) 373-3000  
Facsimile: (212) 757-3990

*Attorneys for Citibank, N.A.*

Dated: September 15, 2011  
New York, New York



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